

1-1-1993

# Nothing Seems Obvious to the Court of Appeals for the Federal Circuit: The Federal Circuit, Unchecked by the Supreme Court, Transforms the Standard of Obviousness under the Patent Law

Robert Desmond

---

## Recommended Citation

Robert Desmond, *Nothing Seems Obvious to the Court of Appeals for the Federal Circuit: The Federal Circuit, Unchecked by the Supreme Court, Transforms the Standard of Obviousness under the Patent Law*, 26 Loy. L.A. L. Rev. 455 (1993).  
Available at: <https://digitalcommons.lmu.edu/llr/vol26/iss2/14>

This Notes and Comments is brought to you for free and open access by the Law Reviews at Digital Commons @ Loyola Marymount University and Loyola Law School. It has been accepted for inclusion in Loyola of Los Angeles Law Review by an authorized administrator of Digital Commons@Loyola Marymount University and Loyola Law School. For more information, please contact [digitalcommons@lmu.edu](mailto:digitalcommons@lmu.edu).

# NOTHING SEEMS "OBVIOUS" TO THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT: THE FEDERAL CIRCUIT, UNCHECKED BY THE SUPREME COURT, TRANSFORMS THE STANDARD OF OBVIOUSNESS UNDER THE PATENT LAW

## I. INTRODUCTION

On October 1, 1982, Congress established a new intermediate appellate court: the United States Court of Appeals for the Federal Circuit (CAFC).<sup>1</sup> Over the last ten years the CAFC appears to have single-handedly changed the standard of patentability created by the Constitution, codified by Congress and interpreted by the Supreme Court.<sup>2</sup> During all the congressional debates concerning the creation of the CAFC, there were no proposals for Congress to modify the Constitution and create a federal court with the power to overrule the Supreme Court regarding issues of patent law, yet this is what is occurring.<sup>3</sup> The Supreme Court has remained silent while the CAFC has boldly redefined the criteria used to determine whether an invention is patentable under the patent law.<sup>4</sup>

To obtain a patent, an invention must satisfy three statutory requirements: utility, novelty and obviousness.<sup>5</sup> The Supreme Court, Congress and federal circuit courts have struggled to define obviousness since the inception of the requirement in 1851.<sup>6</sup> If an invention is "obvious"<sup>7</sup> to

---

1. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, § 402, 96 Stat. 25, 57 (codified at 28 U.S.C. § 1295 (1988), 35 U.S.C. §§ 141-146 (1988)). Article III, Section 1 of the Constitution grants Congress the authority to establish inferior courts. U.S. CONST. art. III, § 1.

2. See *infra* part IV.

3. See *infra* notes 40-70 and accompanying text for a discussion of the congressional debate on the formation of the CAFC. Promoters of the CAFC argued that the new court would greatly relieve the Supreme Court from the strain of resolving intercircuit conflict concerning the interpretation of patent law. See *infra* note 68 and accompanying text. However, there was no indication in the debates that the CAFC would be a new Supreme Court with respect to patent law. Creating a new Supreme Court would clearly violate Article III of the Constitution. See U.S. CONST. art. III, § 1.

4. See *infra* part VI.

5. See *infra* notes 83-86 and accompanying text for a discussion of the statutory requirements that must be satisfied by an invention in order for the inventor to obtain a patent.

6. See *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1851).

7. See *infra* note 85.

those familiar with the "prior art,"<sup>8</sup> the inventor cannot receive a patent<sup>9</sup> for the invention.<sup>10</sup>

The government refuses to grant an inventor a patent for an obvious invention because to do so would contradict United States patent policy. Specifically, the government grants patent monopolies in order to foster innovation and growth in the industry and sciences.<sup>11</sup> Granting an inventor a seventeen-year monopoly for an invention that is obvious would not encourage this growth and therefore would be inconsistent with the government's goals.<sup>12</sup>

Through its decisions over the last ten years, the CAFC has dramatically reinterpreted the standard of obviousness.<sup>13</sup> Certain patents that would have been invalid because they were obvious under the Supreme Court's standard have been construed as valid under the CAFC's new standard of obviousness.<sup>14</sup> As a result, an inventor appealing a district court's finding that his or her patent was void for obviousness is practically guaranteed that the CAFC will find the patent not obvious and therefore valid.

This Comment explores the CAFC's impact on one requirement for inventorship under United States patent law—obviousness.<sup>15</sup> This Comment also questions the CAFC's authority to change patent law in light of contradictory United States Supreme Court decisions. Part II of this Comment examines the historical development and purpose of the CAFC.<sup>16</sup> This examination reviews congressional intent and the concerns of those in favor of and against creating this federal appellate court with national jurisdiction.<sup>17</sup> Part III presents the development of the

---

8. "[P]rior art includes any relevant knowledge, acts, descriptions and patents which pertain to, but pre-date, the invention in question." *Mooney v. Brunswick Corp.*, 663 F.2d 724, 733 (7th Cir. 1981).

9. A patent is a grant of right to exclude others from making, using or selling one's invention for seventeen years. 35 U.S.C. § 154 (1988).

10. See *infra* notes 85-86 and accompanying text for a discussion of the requirement of obviousness. See also note 94 for a concrete application of the obviousness requirement.

11. Gustav Drews, *The Patent Right in the National Economy of the United States*, 33 J. PAT. OFF. SOC'Y 585, 610 (1951).

12. See *infra* notes 74-82 and accompanying text for a discussion of the government's purpose and policy in granting patent monopolies to inventors.

13. See *infra* notes 144-93 and accompanying text for a discussion of the CAFC's interpretation of the obviousness standard.

14. See *infra* note 183 and accompanying text.

15. Many patent law authorities interchangeably refer to this as a requirement that an invention be nonobvious or as a requirement of nonobviousness. To avoid confusion, this Comment will generally refer to the requirement as one of obviousness.

16. See *infra* notes 23-36 and accompanying text.

17. See *infra* notes 40-70 and accompanying text.

policy that an invention may not receive a patent if it is found to be an obvious invention.<sup>18</sup> Part IV examines CAFC decisions regarding obviousness—comparing and contrasting these decisions with prior Supreme Court precedent.<sup>19</sup> This part also examines several factors that have increased the CAFC's role and responsibility in creating and interpreting patent law.<sup>20</sup> Finally, this Comment recommends that the Congress and Supreme Court recognize that the CAFC, in reinterpreting obviousness, has changed the standard for patentability that was established by the Supreme Court.<sup>21</sup> To remedy this situation, the Supreme Court should reassert its constitutional authority over the CAFC to validate and confirm United States patent law.<sup>22</sup>

## II. CREATING THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Congressional leaders considered the creation of the CAFC as a major step in judicial reform<sup>23</sup> because it provided a national, appellate forum in which to resolve patent disputes.<sup>24</sup> Federal district courts have original jurisdiction over cases involving patent law that would traditionally be appealed to the circuit court in which the district resides.<sup>25</sup> Consistent with the effort to create a single appellate forum for patent cases, Congress added § 1295 to Title 28 of the United States Code.<sup>26</sup> Under § 1295, a party appealing a district court judgment in a patent case no

---

18. See *infra* part III.

19. See *infra* part IV.A-B.

20. See *infra* part IV.C-D.

21. See *infra* part V.

22. See *infra* part VI.

23. See *Federal Courts Improvement Act of 1979: Hearings on S. 677 and S. 678 Before the Subcomm. on Improvements in Judicial Machinery of the Senate Comm. on the Judiciary*, 96th Cong., 1st Sess. 1 (1979) (statement of Sen. Kennedy) [hereinafter *Senate Hearings on S. 677 and S. 678*]. Judge Coffin, Chief Judge of the Court of Appeals for the First Circuit, stated that the bill to create the CAFC was "in the tradition of the three other major legislative sources of the shape of the judicial establishment: the Judiciary Act of 1789, the Circuit Court of Appeals Act of 1891, and the Judges' bill of 1925." *Id.* at 3 (statement of Frank M. Coffin, C.J., U.S. Court of Appeals, First Circuit).

24. Importantly, this is only the second time the United States created a national court based upon subject matter jurisdiction. See *infra* notes 54-67 and accompanying text for a discussion of the lessons learned from the short-lived Commerce Court.

25. 28 U.S.C. § 1338(a) (1988). "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases." *Id.*

26. Federal Courts Improvement Act § 402. The CAFC shall have exclusive jurisdiction over an appeal from a decision of "the Board of Patent Appeals and Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of

longer appeals to the circuit court for that district. The party appeals directly to the CAFC.<sup>27</sup>

### A. *The Hruska Commission*

Since 1887 Congress has debated over whether to create a single court for patent appeals.<sup>28</sup> Most recently it addressed this issue in the 1970s, when experts noted the need to create national uniformity in certain areas of the law.<sup>29</sup>

In 1972 Congress created the Hruska Commission to study the entire federal appellate court system and make recommendations for change.<sup>30</sup> The Hruska Commission determined that the federal appellate court system's major problem was its inability to explicitly adjudicate issues of national law.<sup>31</sup> A significant consequence of this shortcoming was an uncertainty in the law, which led parties to expensive forum shopping among the circuits.<sup>32</sup> The Hruska Commission found that forum

---

an applicant for a patent or any party to a patent interference." 28 U.S.C. § 1295(a)(4)(A) (1988).

In addition, the CAFC's exclusive subject matter jurisdiction over patent cases is preserved by providing the CAFC with jurisdiction over any appeal from decisions of district courts. 35 U.S.C. §§ 145-146 (1988).

27. A party may appeal the CAFC's decision to the Supreme Court. However, the Supreme Court rarely grants certiorari in patent cases. *See infra* note 73 and accompanying text.

28. *See generally* Jack Q. Lever, Jr., *The New Court of Appeals for the Federal Circuit* (pt. 1), 64 J. PAT. OFF. SOC'Y 178, 186-91 (1982) (discussing CAFC's legislative history, organization, structure and jurisdiction). Congress first considered a special appeals court for patent cases in 1887. *Id.* at 186 n.29. Between 1887 and 1921, 32 bills introduced in Congress included provisions for the formation of a special court of appeals for jurisdiction over patent cases. *Id.* Interest in a separate court for patent appeals was stimulated again in the 1930s, as a result of the economic depression and the subsequent efforts to revive the economy. *Id.* Congress considered nine separate bills on this subject between 1936 and 1951. *Id.*

29. The Freund Committee was appointed in 1971 by United States Supreme Court Chief Justice Warren E. Burger. *Id.* at 187 n.31. The study group concluded that, due to an increased workload, the Supreme Court was unable to carry out its job of resolving conflict-of-law issues between the circuit courts. *Id.*

30. *Id.* at 188. Congress created the Commission on the Revision of the Federal Court Appellate System (the Hruska Commission) in 1972. Act of Oct. 13, 1972, Pub. L. No. 92-489, 86 Stat. 807 (1972), amended by Pub. L. No. 93-420, 88 Stat. 1153 (1974). In addition to other goals, the Hruska Commission was to "study the structure and internal procedures of the Federal courts of appeal system." *Id.* The Hruska Commission's final report was titled COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM, STRUCTURE AND INTERNAL PROCEDURES: RECOMMENDATIONS FOR CHANGE (1975) [hereinafter HRUSKA COMMISSION REPORT], reprinted in 67 F.R.D. 195 (1975).

31. *Id.* at 5-8, reprinted in 67 F.R.D. at 209-12.

32. *Id.* at 15, reprinted in 67 F.R.D. at 220.

shopping was most intense in the area of patent law.<sup>33</sup> As a result, the Hruska Commission recommended the formation of a National Court of Appeals, consisting of seven Article III judges, to decide issues of national importance.<sup>34</sup>

At the same time, the Hruska Commission reviewed the concept of creating a specialized court strictly to hear patent appeals.<sup>35</sup> The Hruska Commission determined that specialized courts, however, had the following inherent disadvantages:

- [1] [T]he quality of decision-making would suffer as the specialized judges become subject to "tunnel vision," seeing the cases in a narrow perspective without the insights stemming from broad exposure to legal problems in a variety of fields.
- [2] Judges of a specialized court, given their continued exposure to and great expertise in a single field of law, might impose their own views of policy even where the scope of review under the applicable law is supposed to be more limited.
- [3] Vesting exclusive jurisdiction over a class of cases in one court might reduce the incentive, now fostered by the possibility that another court will pass on the same issue, to produce a thorough and persuasive opinion in articulation and support of a decision.
- [4] [G]iving a national court exclusive jurisdiction over appeals in a category of cases now heard by the circuit courts would tend to dilute or eliminate regional influence in the decision of those cases.
- [5] [T]he advantages of decision-making by generalist judges diminish as the judges' exposure to varied areas of law is lessened.
- [6] [T]he quality of appointments to a specialized court [is a concern], not only because of the perceived difficulties in finding truly able individuals who [are] willing to serve,

---

33. *Id.* The Hruska Commission concluded that there were four major consequences of the federal judicial system's inability to adjudicate issues of national law: (1) unresolved intercircuit conflicts; (2) delay; (3) burden on the Supreme Court; and (4) uncertainty, even in the absence of intercircuit conflict. *Id.* at 13-19, *reprinted in* 67 F.R.D. at 217-24. The problem of forum shopping in the field of patent law was confirmed by the Hruska Commission's consultants, Professor James B. Gambrell and Mr. Donald R. Dunner, Esq. *Id.* at 15, *reprinted in* 67 F.R.D. at 220.

34. *Id.* at vii, *reprinted in* 67 F.R.D. at 199.

35. *Id.* at 28, *reprinted in* 67 F.R.D. at 234.

but also due to the fear that because the entire appointment process would operate at a low level of visibility, particular seats or indeed the court as a whole may be "captured" by special interest groups.<sup>36</sup>

Concerned with these disadvantages, the Hruska Commission rejected the concept of creating a specialized court for patent appeals as an alternative to the proposed National Court of Appeals.<sup>37</sup>

### B. *The Debate Over Creating the CAFC*

The final form of the CAFC took shape in the Senate and the House of Representatives through a series of bills considered in 1979<sup>38</sup> and 1981.<sup>39</sup> Proponents of the CAFC primarily argued that a single forum such as the CAFC would reduce intercircuit conflict by fostering a uniform application of patent law.<sup>40</sup> Minor differences in interpretation of law may be expected between circuit courts. These are often resolved before the Supreme Court. With respect to patent law, however, experts felt the differences in interpretation between each circuit were considerable enough to encourage widespread forum shopping.<sup>41</sup> Expert testi-

---

36. *Id.* at 28-30, reprinted in 67 F.R.D. at 234-36. While the Hruska Commission viewed specialized courts with disfavor, other countries have viewed specialized courts favorably. For example, both Japan and Germany use a specialized court to hear patent cases. *See Lever, supra* note 28, at 190 n.38.

37. *Id.* at 30, reprinted in 67 F.R.D. at 236.

38. On March 15, 1979, the Senate introduced bills S. 677, 96th Cong., 1st Sess. (1979) and S. 678, 96th Cong., 1st Sess. (1979). *See Lever, supra* note 28, at 192. These bills were never passed. *Id.* at 195.

39. The Senate introduced S. 21, 97th Cong., 1st Sess. (1981), on January 5, 1981, modified as S. 1700, 97th Cong., 1st Sess. (1981), and reported it favorably to the Senate on October 20, 1981. *See S. REP. NO. 275*, 97th Cong., 1st Sess. 2 (1981). The House introduced a corresponding bill, H.R. 2405, 97th Cong., 1st Sess. (1981), on March 10, 1981, and favorably reported it to the House as H.R. 4482, 97th Cong., 1st Sess. (1981), on November 4, 1981. *See H.R. REP. NO. 312*, 97th Cong., 1st Sess. 1 (1981).

40. Different interpretations of patent law by each circuit allowed parties to characterize certain circuits as "pro-patent" or "anti-patent." *See H.R. REP. NO. 312, supra* note 39, at 20. Examples of intercircuit conflict in the area of patent law included differences between circuits as to whether "synergism" had to exist before an invention was patentable, *Addendum to Hearings on S. 677 and S. 678 Before the Subcomm. on Improvements in Judicial Machinery of the Senate Comm. on the Judiciary*, 96th Cong., 1st Sess. 56 (1979) [hereinafter *Addendum to Senate Hearings on S. 677 and S. 678*] (statement of Donald R. Dunner, Esq.), and the requirement of certain circuits that combination inventions rise to a higher level of patentability than other inventions, *Senate Hearings on S. 677 and S. 678, supra* note 23, at 114 (statement of Howard T. Markey, C.J., Court of Claims and Patent Appeals).

41. Experts supporting the Hruska Commission's conclusions provided evidence from a study of patent attorneys that intercircuit inconsistency encouraged forum shopping. Professor James B. Gambrell and Mr. Donald R. Dunner, Esq., of the Hruska Commission, concluded:

mony before Congress established that if one could bring an alleged patent infringer before certain "pro-patent" circuits, the court would be more likely to uphold the patent and determine that the opposing party was guilty of infringement.<sup>42</sup> Conversely, an alleged patent infringer could try to defend his or her case in an anti-patent circuit, thus increasing the odds that the circuit court would invalidate the patent at issue and not find the inventor guilty of patent infringement.<sup>43</sup>

Opponents of the CAFC argued that there was no serious conflict between the circuit courts regarding patent law.<sup>44</sup> Further, opponents argued that even if conflicts existed, they should be viewed as part of the natural development of patent law,<sup>45</sup> which the Supreme Court was capable of resolving.<sup>46</sup> Finally, they argued that any intercircuit conflicts regarding patent law were no different than conflicts concerning other fields of law.<sup>47</sup> Therefore, opponents concluded, patent law should not be singled out for adjudication by a specialized tribunal, such as the CAFC.<sup>48</sup>

---

Patentees now scramble to get into the 5th, 6th and 7th circuits since the courts there are not inhospitable to patents whereas infringers scramble to get anywhere but in these circuits. Such forum shopping not only increases litigation costs inordinately and decreases one's ability to advise clients, it demeans the entire judicial process and the patent system as well.

HRUSKA COMMISSION REPORT, *supra* note 30, at 152, reprinted in 67 F.R.D. at 370; see also 1 PATENT PREPARATION & PROSECUTION PRACTICE 5-18 (Irving Kayton ed., 1983) (stating that Eighth Circuit held every patent invalid from 1950 to 1970).

42. HRUSKA COMMISSION REPORT, *supra* note 30, at 152, reprinted in 67 F.R.D. at 370.

43. *Id.*

44. See *Court of Appeals for the Federal Circuit—1981: Hearings on H.R. 2405 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Committee on the Judiciary*, 97th Cong., 1st Sess. 114 (1981) [hereinafter *House Hearings on H.R. 2405*] (statement of Sidney Neuman on behalf of Committee to Preserve the Patent Jurisdiction of the United States Courts of Appeal).

45. The argument against the CAFC was stated as follows: "[The v]ariety of views developed in different circuits on various points produce review by the Supreme Court and growth in the law; absent opportunity for diversity of views the law will stagnate and rigidify, raising the question whether any case would get to the Supreme Court." *Hearings on H.R. 6933, H.R. 6934, H.R. 3806 and H.R. 2414 Before the Subcomm. on Courts, Civil Liberties and the Administration of Justice of the House Comm. on the Judiciary*, 96th Cong., 2d Sess. 763, 771 (1980) (statement of George W. Whitney on behalf of American Bar Association).

46. *House Hearings on H.R. 2405*, *supra* note 44, at 250 (statement of J. Philip Anderegge).

47. *Id.* at 251 (statement of J. Philip Anderegge).

48. See *id.* at 114, 124 (statement of Sidney Neuman on behalf of Committee to Preserve the Patent Jurisdiction of the United States Courts of Appeal).



### C. *The Concern With Forming a Specialized Court*

Opponents argued against forming the CAFC based on the two traditional arguments against specialized courts.<sup>49</sup> The opponents' first objection was that judges on a specialized court could develop "tunnel vision" and pursue policies at odds with those goals advanced by the general law.<sup>50</sup> As a result, a specialized court could become "pro-patent" or "anti-patent," as had certain of its sister circuits before it.<sup>51</sup> Decisions of a pro-patent or anti-patent CAFC would have a more serious impact on the national economy than decisions of a single circuit court because the CAFC would have decision-making authority over all patent law appeals.

The second objection to specialized courts concerned the possibility that those repeatedly before the court would develop undue influence over the court.<sup>52</sup> This had been a problem in the past. Congress created a national appellate court with singular subject matter jurisdiction only once before,<sup>53</sup> in 1910 when it created the Commerce Court.<sup>54</sup> Congress created the Commerce Court to hear appeals from the Interstate Commerce Commission (ICC) at a crucial time in the development of U.S. railroads.<sup>55</sup> The Commerce Court was abolished by Congress after only three years.<sup>56</sup> The Commerce Court's demise in 1913 was attributed to two major factors: (1) The court did not have the support of the major parties involved in the resolution of railroad issues; and (2) the court lacked the "judicial insulation" that traditionally shields federal courts from institutional attack.<sup>57</sup> The Commerce Court could do little to endear itself to the railroad interests because they were already comfortable with the ICC's oversight.<sup>58</sup> At the same time, the ICC stood opposed to

---

49. See *Addendum to Senate Hearings on S. 677 and S. 678*, *supra* note 40, at 31 (statement of Daniel J. Meador, Assistant Attorney General, Office for Improvements in the Administration of Justice).

50. *Id.* (statement of Daniel J. Meador, Assistant Attorney General, Office for Improvements in the Administration of Justice).

51. See H.R. REP. NO. 312, 97th Cong., 1st Sess. 20-21 (1981).

52. See *Addendum to Senate Hearings on S. 677 and S. 678*, *supra* note 40, at 31 (statement of Daniel J. Meador, Assistant Attorney General, Office for Improvements in the Administration of Justice).

53. Mann-Elkins Act, ch. 309, § 1, 36 Stat. 539, 539-42 (1910) (repealed 1913).

54. *Id.*; George E. Dix, *The Death of the Commerce Court: A Study In Institutional Weakness*, 8 AM. J. LEGAL HIST. 238, 239 (1964). The Commerce Court was abolished in October 1913. *Id.*

55. Dix, *supra* note 54, at 239.

56. *Id.*

57. *Id.*

58. *Id.* at 244-45.

a judicial body extending its influence over issues that the ICC considered within its own exclusive jurisdiction.<sup>59</sup>

Even lacking the support of its major participants, the ICC and the railroads, the Commerce Court might have survived had it developed the judicial insulation commensurate with its position as a federal court.<sup>60</sup> Unfortunately, the Commerce Court failed to generate the respect that a federal court needs in order to endure unpopular decisions, largely because it resembled an administrative agency instead of a federal court.<sup>61</sup> Critics also attacked the Commerce Court for its expanded scope of appellate review.<sup>62</sup> In reviewing the ICC's decisions, the Commerce Court often reconsidered questions of fact found by the ICC<sup>63</sup>—a task in which appellate courts normally do not engage unless reviewing findings of fact that are "clearly erroneous."<sup>64</sup>

The Commerce Court also lacked judicial insulation because of the public perception that it failed to integrate itself into the federal court structure.<sup>65</sup> The primary factor in this regard was the court's narrow subject matter jurisdiction.<sup>66</sup> Thus, viewed as little more than an administrative agency, instead of a venerable federal court, the Commerce Court lacked the judicial insulation needed to protect it from opponents and was abolished in less than three years.<sup>67</sup>

#### *D. The Formation of the CAFC Would Unify Patent Law Without the Supreme Court's Intervention*

Supporters proclaimed that the CAFC would eliminate intercourt conflicts regarding patent law while avoiding the need to expend the Supreme Court's valuable and limited time.<sup>68</sup> At the same time, many proponents of the CAFC did not want to foreclose the Supreme Court

---

59. *Id.* at 241-42.

60. *Id.* at 253-54.

61. *Id.* at 255-57. For example, Congress limited Commerce Court judges to a five-year term of appointment, as opposed to the life tenure granted to Article III judges under the Constitution. *Id.* at 255.

62. *Id.* at 256.

63. *Id.*

64. See FED. R. CIV. P. 52(a) advisory committee's note accompanying 1985 amendment.

65. See Dix, *supra* note 54, at 257.

66. *Id.*

67. *Id.* at 239.

68. *Inaugural Special Session of the United States Court of Appeals for the Federal Circuit*, 686 F.2d LX, LXIV (1982) [hereinafter *Inaugural of the CAFC*] (statement of Edward C. Schmults, Deputy U.S. Attorney General, that reducing intercourt conflicts will reduce pressure on United States Supreme Court to reduce such conflicts); *Addendum to Senate Hearings on S. 677 and S. 678*, *supra* note 40, at 54 (statement of Donald R. Dunner, that intercourt conflicts have not been alleviated by the Supreme Court partly because the Court has insuffi-

from hearing patent law issues. Proponents assumed that the Supreme Court would continue to serve as the final arbiter to prevent or correct CAFC misinterpretations of patent law.<sup>69</sup> Strongly in favor of forming the CAFC to bypass Supreme Court intervention in developing patent law, however, Congressman Robert McClory, the CAFC's major supporter in the House of Representatives, ominously stated that the new CAFC "may . . . represent the court of last resort" in patent law cases.<sup>70</sup> President Reagan signed Senate bill 1700 into law on April 2, 1982, officially creating the CAFC.<sup>71</sup>

A detailed analysis of the patent cases heard by the Supreme Court from 1952 to 1992 is required in order to compare the Supreme Court's involvement in the development of patent law before and after the formation of the CAFC.<sup>72</sup> From a partial survey, it seems that the number of patent cases heard by the Supreme Court has sharply diminished in the past ten years since the CAFC's formation.<sup>73</sup> This survey indicates that the CAFC is well on its way to fulfilling Congress's goal of unifying patent law without the Supreme Court's intervention.

---

cient time and partly because the Court has spoken inconsistently in resolving patent law disputes).

69. The American Patent Law Association (APLA) stated: "The Supreme Court will review cases on petitions for certiorari from the new Federal Circuit Court . . ." *House Hearings on H.R. 2405, supra* note 44, at 57 (statement of J. Jancin, Jr., President, APLA).

70. *Inaugural Session of the CAFC, supra* note 68, at LXVI (statement of Rep. McClory). During the inauguration of the CAFC, Congressman Robert McClory stated: "I might venture that since the Supreme Court has been able to entertain review of very few patent cases over the past 25 years, the new appeals court may well, in most respects, represent the court of last resort in patent cases." *Id.* (statement of Rep. McClory).

71. *See* Federal Courts Improvement Act, 96 Stat. at 58.

72. The scope of this Comment does not permit an original compilation of the necessary statistics comparing the number of patent cases considered by the Supreme Court from 1952 to 1982 with the number of patent cases considered by the Supreme Court from 1982 to 1992.

73. The Supreme Court has heard only two patent law cases since Congress formed the CAFC in 1982. The Supreme Court heard the first case, *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1986), only to ask the CAFC to explain its policy of performing supplemental fact finding regarding the issue of obviousness. *Id.* at 811. The CAFC explained its policy, and the Supreme Court denied certiorari in the subsequent appeal. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir.), *cert. denied*, 481 U.S. 1052 (1987). In the only other patent law case heard by the Supreme Court since the formation of the CAFC, the Court's opinion discussed patent law history, theory and policy in great detail. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). Arguably, the Court wanted to remind the legal community that, although absent from the field of patent law for some duration, the Court remained involved in patent law jurisprudence. *See id.*

## III. PATENT LAW AND OBVIOUSNESS

## A. Patent Law

United States patent law was derived from English patent law.<sup>74</sup> Patents were authorized by statute in England in 1624 by the Statute of Monopolies.<sup>75</sup> The Statute of Monopolies provided a fourteen-year monopoly for “the sole working or making of any manner of new manufacture within this realm.”<sup>76</sup> The fact that English patent law was based on methods of “new manufacture” indicates that the goal of the English patent system was the introduction and development of new technology.<sup>77</sup>

Similarly, the United States Constitution fosters the development of new technology by giving Congress the power to promote the progress of the useful arts by granting inventors the exclusive right to their discoveries for a limited time.<sup>78</sup> Congress first exercised its constitutional power to grant exclusive rights to inventors in 1790, when it authorized the issuance of patents to inventors.<sup>79</sup>

A patent confers on its owner the right to “exclude others from making, using, or selling the [patented] invention throughout the United States” for the life of the patent.<sup>80</sup> Patents provide an important incentive for people to disclose their inventions because an inventor can only receive the patent monopoly through public disclosure of the invention to the U.S. Patent and Trademark Office.<sup>81</sup> Public disclosure of an invention, in turn, may inspire others to create and make further technological breakthroughs that benefit society. One of the earliest patents was

---

74. Karl B. Lutz, *Are the Courts Carrying Out Constitutional Public Policy on Patents?*, 34 J. PAT. OFF. SOC'Y 766, 768 (1952).

75. *Id.* at 770.

76. *Id.* at 768.

77. *Id.* at 770.

78. The Constitution gives Congress the power “to promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, § 8, cl. 8.

79. See 1 WILLIAM C. ROBINSON, *THE LAW OF PATENTS FOR USEFUL INVENTIONS* § 48, at 76 (Boston, Little, Brown & Co. 1890). The importance of patents to the new nation is perhaps best exhibited by the composition of the first patent board. The first patent board consisted of the Secretary of State, Thomas Jefferson, the Secretary of War, Henry Knox, and the Attorney General, Edmund Randolph. PHARMACEUTICAL MFRS. ASS'N, *THE STORY OF THE UNITED STATES PATENT OFFICE* 1 (1965).

80. 35 U.S.C. § 154 (1988).

81. See 1 PATENT PREPARATION & PROSECUTION PRACTICE, *supra* note 41, at 1-3, 1-4 regarding the process whereby the inventor may publicly disclose the nature and details of his or her invention through a patent in exchange for the government's grant of a time-limited monopoly over the invention.

granted to Abraham Lincoln, who stated: "The patent system added the fuel of interest to the fire of genius."<sup>82</sup>

### B. Obviousness

An applicant must fulfill three statutory requirements to obtain a patent for an invention. First, the applicant must show the invention is useful.<sup>83</sup> Second, the applicant must demonstrate the invention is new and that he or she is the first person to invent it.<sup>84</sup> Third, the applicant must prove that the invention represents a significant advance over the prior art. This requirement, known as obviousness,<sup>85</sup> demands that the invention not be obvious. An invention may be obvious if it is found to be similar to previous inventions or if it is found to be similar to proposed inventions disclosed in journal articles, sales brochures or virtually any other medium.

Of these three requirements, the most difficult to satisfy is obviousness because obviousness measures the extent of the technological ad-

82. See PHARMACEUTICAL MFRS. ASS'N, *supra* note 79, at 10-11 (quoting Abraham Lincoln at 1859 lecture in Springfield, Ill.). Abraham Lincoln received U.S. Patent No. 6469 for a design that allowed a riverboat to navigate over the shoals. *Id.* at 11.

83. 35 U.S.C. § 101 (1988) states:

#### INVENTIONS PATENTABLE

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

*Id.*

84. 35 U.S.C. § 102 (1988) states in part:

#### CONDITIONS FOR PATENTABILITY; NOVELTY AND LOSS OF RIGHT TO PATENT

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country, . . . more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

. . . .

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it.

*Id.*

85. 35 U.S.C. § 103 (1988) reads in pertinent part:

#### CONDITIONS FOR PATENTABILITY; NON-OBVIOUS SUBJECT MATTER

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter . . . as a whole would have been obvious . . . to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

*Id.*

vance embodied in the invention.<sup>86</sup> The Supreme Court and Congress have struggled to define obviousness since the inception of the requirement in 1851.<sup>87</sup>

### 1. The Supreme Court

The Supreme Court established the requirement for obviousness in 1851 in *Hotchkiss v. Greenwood*.<sup>88</sup> The patent in *Hotchkiss* disclosed an improved method of making knobs for "locks, doors, cabinet furniture, and for all other purposes for which wood and metal, or other material knobs, are used."<sup>89</sup> This improvement simply consisted of making knobs of the same design as before but using potter's clay instead of wood or metal.<sup>90</sup> Justice Nelson, writing for the Court, said that even though the knobs were better because of the new material, the knobs were not patentable because "the peculiar effect . . . is not distinguishable from that which would exist in the case of the wood knob, . . . or of other materials that might be mentioned" in the patent claims.<sup>91</sup>

Justice Nelson did, however, say that the knob might be patentable, even though there was no new principle or effect, if "more ingenuity and skill in applying the old method of fastening the shank and the knob were required in the application of it to the clay or porcelain knob than were possessed by an ordinary mechanic acquainted with the business."<sup>92</sup> In this case, however, the Court held the patent void because it lacked the "skill and ingenuity" that are essential to every patentable invention.<sup>93</sup> The Court thus provided itself with a new means to limit the patentability of an invention.<sup>94</sup>

---

86. See ROBERT L. HARMON, PATENTS AND THE FEDERAL CIRCUIT § 3.1, at 32 (2d ed. 1988) (classifying utility and novelty as mere formal prerequisites to obviousness inquiry); Robert W. Harris, *Prospects for Supreme Court Review of the Federal Circuit Standards for Obviousness of Inventions Combining Old Elements*, 68 J. PAT. & TRADEMARK OFF. SOC'Y 66, 66 (1986) (stating that obviousness standards are most important test in patent law because "obviousness is the most frequently dispositive patentability issue, since most inventions can meet the comparatively liberal requirements of utility and novelty").

87. See *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1851).

88. *Id.*

89. *Id.* at 249.

90. *Id.* at 265.

91. *Id.* at 267.

92. *Id.*

93. *Id.*

94. *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498 (1874). An early example in which the Supreme Court applied this new means to limit patentability involved the common pencil with attached eraser. In 1874 the Supreme Court determined that the patent for a pencil with attached eraser was void due to obviousness. Permanently attaching an eraser to a pencil was a good idea, the Court conceded, but the Court held the device unpatentable because it incorporated nothing new. *Id.* at 507.

The Supreme Court began to use the mechanism it created in *Hotchkiss* to limit the patentability of inventions late in the 1800s.<sup>95</sup> Relying on its decision in *Atlantic Works v. Brady*,<sup>96</sup> the Supreme Court confirmed in 1885 that there must be an element of "invention" in a new device for it to be patentable.<sup>97</sup> In 1886 a district court cited *Hotchkiss* for the proposition that "[n]ot every trifling device, nor any obvious improvement in the material already possessed, is intended to be rewarded" by the patent laws.<sup>98</sup> In this period the Supreme Court upheld only two out of more than three dozen patents that came before it.<sup>99</sup>

The Supreme Court's efforts to limit patentability peaked during the period from the 1930s to the 1950s in what patent authorities refer to as the "hostile" Supreme Court decisions.<sup>100</sup> The two most notorious of these cases were *Cuno Engineering Corp. v. Automatic Devices Corp.*<sup>101</sup> and *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*<sup>102</sup> In *Cuno Engineering* the Court conceded that the invention, an electric cigar lighter for use in automobiles, performed a new and useful function.<sup>103</sup> However, regardless of a new device's utility, the Court stated

---

95. See, e.g., *Thompson v. Boisselier*, 114 U.S. 1 (1885). The Court stated that "it is not enough that a thing shall be new, . . . and that it shall be useful, but it must, under the constitution and the statute, amount to an invention or discovery." *Id.* at 11.

After the Civil War there was a sharp rise in the number of patents issued by the Patent Office, primarily because the United States was entering the Industrial Revolution. See PHARMACEUTICAL MFRS. ASS'N, *supra* note 79, at 34. In 1860 the Patent Office issued 4357 patents. The number jumped to 8863 in 1866 and 12,277 in 1867. The number of patents issued annually rose to about 20,000 by 1883. This phenomenal increase stood in sharp contrast to the 883 patents issued at the time the Supreme Court decided *Hotchkiss* in 1851. *Id.*; see also Edmund W. Kitch, *Graham v. John Deere Co.: New Standards for Patents*, 49 J. PAT. OFF. SOC'Y 237, 270 (1967) (explaining that sharp increase in patent litigation followed explosion in number of patents issued).

The Supreme Court seems to have feared that the Patent Office was granting patents too easily and began looking for a way to more sharply define, and perhaps limit, what was patentable. For example, the Court stated in *Atlantic Works v. Brady*, 107 U.S. 192, 200 (1883):

It was never the object of . . . [patent] laws to grant a monopoly for every trifling device, every shadow of a shade of an idea . . . Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the art.

*Id.*

96. 107 U.S. 192 (1883).

97. *Id.* at 200.

98. *Leonard v. Lovell*, 29 F. 310, 314 (C.C.W.D. Mich. 1886).

99. 2 DONALD S. CHISUM, PATENTS § 5.02[1], at 5-16 n.28 (rev. ed. 1990).

100. See Kitch, *supra* note 95, at 240 n.21.

101. 314 U.S. 84 (1941).

102. 340 U.S. 147 (1950).

103. 314 U.S. at 90.

that in order to qualify for a U.S. patent an invention's manufacture must reveal "the flash of creative genius," not merely the normal skill in the relevant technology.<sup>104</sup> Seemingly, under the Court's increasingly subjective and anti-patent standard, a group of rocket scientists methodically designing and building the Space Shuttle over a ten-year period would not qualify for a patent if the Court failed to discern a "flash of creative genius" in its creation!<sup>105</sup>

The Court further expanded its subjective view of patentability in *Great Atlantic & Pacific Tea Co.*<sup>106</sup> Justice Douglas, in a concurring opinion, stated that the invention of a new and useful grocery checkout stand did not qualify for a patent and that it should be added to the "list of incredible patents" approved by the Patent Office.<sup>107</sup> In Justice Douglas's view, in order to qualify for a patent, an invention should "serve the ends of science—to push back the frontiers of chemistry, physics and the like; to make a distinctive contribution to scientific knowledge."<sup>108</sup> Justice Douglas referred to this as the "inventive genius" test.<sup>109</sup> Justice Douglas went so far as to demand that only those inventions recognized by the appropriate "masters of the scientific field" to which the invention belonged should properly qualify for a patent.<sup>110</sup> Essentially, Justice Douglas would not grant a patent for the Space Shuttle unless some undefined "masters" in the aerospace community recognized the Space Shuttle as advancing the scientific frontier.

## 2. Congress codified obviousness

Congress sharply curtailed the increasingly subjective, anti-patent sympathies of the Supreme Court with the Patent Act of 1952.<sup>111</sup> Con-

---

104. *Id.* at 91.

105. Describing the Supreme Court's general disdain for patents, Justice Jackson proclaimed: "But I doubt that the remedy for such Patent Office passion for granting patents is an equally strong passion in this Court for striking them down so that the only patent that is valid is one which this Court has not been able to get its hands on." *Jungerson v. Ostby & Barton Co.*, 335 U.S. 560, 572 (1949) (Jackson, J., dissenting).

106. In *Great Atl. & Pac. Tea Co.* the Supreme Court reversed the district court and the court of appeals, deciding that the patent for an improved way to move groceries on a cashier's counter was invalid. 340 U.S. at 149.

107. *Id.* at 158 (Douglas, J., concurring).

108. *Id.* at 154 (Douglas, J., concurring).

109. *Id.* (Douglas, J., concurring).

110. *Id.* at 155 (Douglas, J., concurring).

111. Patent Act of 1952, Pub. L. No. 593, 66 Stat. 792 (codified as amended in scattered sections of 35 U.S.C. (1988 & Supp. II 1990)).



gress specifically enacted 35 U.S.C. § 103 to define obviousness and eliminate the Supreme Court's subjective "flash of genius" test.<sup>112</sup>

The Supreme Court acted very cautiously in interpreting 35 U.S.C. § 103. It was not until 1966, fourteen years after enactment, that the Court first agreed to hear the issue of obviousness under § 103.<sup>113</sup> When the Supreme Court finally spoke, however, it did so with great deliberation and provided a distinct standard to follow.

In interpreting § 103, the Supreme Court developed a three-part test for obviousness as a matter of law in *Graham v. John Deere Co.*,<sup>114</sup> which was decided in consolidation with *Calmar, Inc. v. Cook Chemical Co.* and *Colgate-Palmolive Co. v. Cook Chemical Co.*<sup>115</sup> Before interpreting the new § 103, however, the Court stated that § 103 was "merely . . . a codification of judicial precedents" that embraced its prior obviousness decisions.<sup>116</sup> As a result, the Supreme Court treated its earlier decisions regarding patentability, such as its decision in *Hotchkiss v. Greenwood*,<sup>117</sup> as valid precedent.

The Supreme Court then articulated the type of factual inquiries that courts must undertake in evaluating obviousness:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.<sup>118</sup>

---

112. 35 U.S.C. § 103 (1988). See *supra* note 85 for the pertinent text of 35 U.S.C. § 103. The congressional notes accompanying the addition of § 103 stated that the purpose of the section was to "have some stabilizing effect, and also to serve as a basis for the addition at a later time of some criteria which may be worked out" with respect to obviousness. 35 U.S.C.A. § 103 historical revision & notes (West 1984). Congress added the last sentence of § 103 specifically to eliminate the Supreme Court's "flash of genius" test, stating: "The second sentence [of § 103] states that patentability as to this requirement is not to be negated by the manner in which the invention was made, that is, it is immaterial whether it resulted from long toil and experimentation or from a flash of genius." *Id.*; see also 1 PATENT PREPARATION & PROSECUTION PRACTICE, *supra* note 41, at 5-33 (stating that last sentence of § 103 was meant to eliminate "flash of genius" test).

113. The Court first interpreted § 103 in *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

114. 383 U.S. 1 (1966). *Graham* involved the validity of a patent for a spring clamp that "permitted plow shanks to be pushed upward when they hit obstructions in the soil" and then returned to their original plowing position once past the obstruction in the soil. *Id.* at 19-20.

115. *Id.* at 1.

116. *Id.* at 17. "We believe that this legislative history, as well as other sources, shows that the [new § 103] was not intended by Congress to change the general level of patentable invention." *Id.* (footnote omitted).

117. 52 U.S. (11 How.) 248 (1851).

118. *Graham*, 383 U.S. at 17.

Against this three-part factual inquiry, the Supreme Court recommended that courts examine "secondary considerations" such as "commercial success, long felt but unsolved needs, failure of others, etc., . . . to give light to the circumstances surrounding the origin of the subject matter sought to be patented."<sup>119</sup>

Although the Court applied this new test to the facts in the primary case in *Graham*, it neglected to discuss secondary considerations.<sup>120</sup> The Court held the patent at issue invalid because the small improvement would have been obvious to a person with ordinary skill in the relevant art.<sup>121</sup>

In the consolidated case involving Cook Chemical, the Court examined a patent case with respect to the secondary considerations.<sup>122</sup> The patent at issue involved an invention for a shipper-sprayer that sealed pump spray tops of household liquid products during shipping.<sup>123</sup> This device allowed liquid products to be shipped without leaking, while at the same time protecting the sprayer.<sup>124</sup> The Court first examined the patent for the device using the three-part test and determined the patent was obvious based on the prior art regarding existing shipper-sprayers.<sup>125</sup> The Court then proceeded to examine the secondary considerations, such as the long felt need in the industry for this particular design of a shipper-sprayer, the failure of others to produce a successful device and commercial success.<sup>126</sup> After doing so the Court invalidated the patent, stating that the patent was clearly obvious because of the prior art analysis and that secondary considerations alone were insufficient to "tip the scales of patentability."<sup>127</sup> The Court's holding indicated that secondary considerations were of minor importance in any test for obviousness.<sup>128</sup>

---

119. *Id.* at 17-18.

120. *See id.* at 19-24.

121. *Id.* at 24-26.

122. *Id.* at 26.

123. *Id.* at 26-27.

124. *Id.* at 27.

125. *Id.* at 30-35.

126. *Id.* at 29, 35-36. The district court held the patent valid based on secondary considerations. *See Calmar, Inc. v. Cook Chem. Co.*, 220 F. Supp. 414, 420-21 (W.D. Mo. 1963), *aff'd*, 336 F.2d 110 (8th Cir. 1964), *rev'd sub nom. Graham v. John Deere Co.*, 383 U.S. 1 (1966). The court of appeals affirmed using a similar rationale. *See Calmar, Inc. v. Cook Chem. Co.*, 336 F.2d 110, 113-14 (8th Cir. 1964), *rev'd sub nom. Graham v. John Deere Co.*, 383 U.S. 1 (1966).

127. *Graham*, 383 U.S. at 36-37.

128. *Id.* at 36. The Supreme Court also applied the *Graham* approach in *United States v. Adams*, 383 U.S. 39 (1966). *Adams* was decided the same day as *Graham*. The Court discussed the probative value of secondary considerations such as industry expert opinion that the

After Congress implemented § 103, the Supreme Court first discussed the standard of obviousness in "combination patents"<sup>129</sup> in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*<sup>130</sup> *Anderson's-Black Rock* involved a patent for a machine that combined an asphalt spreader with a heating element that improved the manner in which new asphalt bonded with the old asphalt.<sup>131</sup> Applying asphalt with earlier machines resulted in bonding problems.<sup>132</sup> The new combination machine was a commercial success because it significantly improved asphalt bonding by use of simultaneous spreading and heating.<sup>133</sup>

The Court cited *Graham* in *Anderson's-Black Rock*,<sup>134</sup> but never reached a formal conclusion with respect to obviousness using the *Graham* standard.<sup>135</sup> Instead, the Court analyzed the combination patent for obviousness using the standard developed by a line of decisions made before the enactment of § 103, which required a "synergistic" result.<sup>136</sup> Under this line of reasoning, an invention consisting of a combination of existing elements was obvious and therefore unpatentable, unless it produced a synergistic effect.<sup>137</sup> Because the Court found that the new paving system had no synergistic effect, the Court decided the patent was invalid.<sup>138</sup>

Seven years later, in *Sakraida v. Ag Pro, Inc.*, the Court examined another combination patent with identical results.<sup>139</sup> The Court concluded that the improved cleaning effects of a combination patent did not rise to the level of synergy because each element of the system performed

---

device at issue was not likely to work. However, there was no indication that the Court devoted much weight to these considerations. *Id.* at 52.

129. See 2 CHISUM, *supra* note 99, § 5.04[5]. Professor Chisum describes a "combination patent" as covering an invention consisting of a combination of old components, each of which standing alone is not patentable. Such patents usually involve mechanical devices that combine old elements in a new way such that it is patentable as a unique invention. *Id.* § 5.04[5], at 5-286.

130. 396 U.S. 57 (1969).

131. *Id.* at 58-59.

132. *Id.* at 58.

133. *Id.* at 61.

134. *Id.* at 61-62 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966)).

135. See *id.* at 62.

136. *Id.* at 61. Synergy is created when combined elements produce total effects greater than the sum of each individual element. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Co.*, 340 U.S. 147, 152 (1950).

137. *Anderson's-Black Rock*, 396 U.S. at 60-62.

138. *Id.* at 62-63.

139. 425 U.S. 273 (1976).

exactly the same function as it had in the prior art.<sup>140</sup> The *Sakraida* Court ignored the secondary considerations of commercial success and invalidated the patent although the invention was "doubtless a matter of great convenience, producing a desired result in a cheaper and faster way, and enjoying commercial success."<sup>141</sup>

As a result, the Court established that combination patents must be analyzed for obviousness under a separate standard—a combination patent must show synergistic effects in order to avoid obviousness.<sup>142</sup> Thus, in evaluating the claimed invention, the Court ignored the *Graham* standard of obviousness and applied a stricter standard to determine the validity of combination patents.<sup>143</sup>

#### IV. THE CAFC CREATES A NEW OBVIOUSNESS STANDARD

As discussed above, one of the CAFC's primary tasks was to create a uniform interpretation of patent law.<sup>144</sup> In an effort to accomplish this goal, the CAFC held that a number of district courts had erred in requiring proof of synergistic effects in order for combination patents to be nonobvious.

##### A. Eradication of the Synergy Requirement

In *Chore-Time Equipment, Inc. v. Cumberland Corp.*,<sup>145</sup> the CAFC stated in dicta that it did not view synergism as a requirement for patentability in combination patent cases.<sup>146</sup> The invention at issue in *Chore-Time Equipment* combined two known elements into a single device for feeding chickens.<sup>147</sup> The CAFC, apparently ignoring the Supreme Court's holdings in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*

---

140. *Id.* at 282. The patent at issue was for a device that released a sheet of water directly onto a barn floor to wash all animal waste into drains, thus cleaning the barn floor without any supplemental labor. *Id.* at 277.

141. *Id.*

142. *Id.*

143. Not only did the Court cite and then ignore *Graham*, it specifically found that the appellate court—which had applied the three-part *Graham* test—"erroneously set aside the District Court's findings." *Id.* at 280. Then, the Court conducted an "independent examination" of the patentability of the invention. *Id.* Focusing on whether the claimed invention "produce[d] a 'new or different function' . . . within the test of validity of combination patents," the Court found the invention obvious under the "synergism" test. *Id.* at 280, 282 (quoting *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60 (1969)).

144. See *supra* notes 23-26 and accompanying text.

145. 713 F.2d 774 (Fed. Cir. 1983). The district court granted summary judgment, holding that the subject matter of patent claims one, three and seven would have been obvious under § 103. *Id.* at 775. The CAFC affirmed. *Id.* at 780.

146. *Id.* at 781.

147. *Id.* at 775-78.

and *Sakraida v. Ag Pro, Inc.*,<sup>148</sup> posited that the "requirement that an invention reflect 'synergism' or achieve a 'synergistic result,' before it may be held patentable appears nowhere in the statute . . . . References to synergism as a patentability requirement are, therefore, unnecessary and confusing."<sup>149</sup> The CAFC nonetheless affirmed the district court's holding that the invention was obvious based upon *Graham*'s three-part test, concluding that the holding did not rely on the premise that synergy is required for an invention to be nonobvious.<sup>150</sup>

The CAFC soon transformed the dicta in *Chore-Time Equipment* into law in a series of cases involving combination patents.<sup>151</sup> In none of these cases did the CAFC follow the Supreme Court's earlier requirement that a combination exhibit synergy or be invalidated due to obviousness.

Emphasizing that it did not recognize a special standard for combination patents, the CAFC stated in *Stratoflex, Inc. v. Aeroquip Corp.*<sup>152</sup> that "[a] requirement for 'synergism' . . . is nowhere found in the statute."<sup>153</sup> The court stated that the division of patents into categories, such as "combination patents," was unwarranted and that "[r]eference to 'combination' patents is . . . meaningless [because] virtually *all* patents . . . describe . . . inventions formed of a combination of elements."<sup>154</sup>

Next, in *American Hoist & Derrick Co. v. Sowa & Sons*<sup>155</sup> the CAFC stated that a jury instruction was "wholly erroneous" because it required a showing of synergism in order for a combination patent to be nonobvious.<sup>156</sup> Indeed, the court explicitly rejected synergism as a requirement

---

148. See *supra* notes 130-42 and accompanying text.

149. *Chore-Time Equip.*, 713 F.2d at 781 (citation omitted).

150. *Id.*

151. See, e.g., *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132 (Fed. Cir. 1985); *American Hoist & Derrick Co. v. Sowa & Sons*, 725 F.2d 1350 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983).

152. 713 F.2d 1530 (Fed. Cir. 1983).

153. *Id.* at 1540 (citation omitted). The district court declared that the defendant's patent claims one, three, four, six and seven, relating to "tubing used in the aircraft and missile industry," were invalid owing to obviousness under § 103. *Id.* at 1531, 1540. Although the district court made findings of fact with respect to secondary considerations, the CAFC complained that the district court was not thorough in its investigation of secondary considerations. *Id.* at 1538-39. The CAFC stated that "a court must not stop until *all* pieces of evidence [of secondary considerations] have been fully considered and each has been given its appropriate weight." *Id.* This case is an excellent example of how the CAFC loosely interpreted the facts and weight of secondary considerations to ensure its desired result with respect to obviousness.

154. *Id.* at 1540.

155. 725 F.2d 1350 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984).

156. *Id.* at 1360. The jury instruction stated:

You must next determine whether the differences between plaintiff's claimed invention and the prior art, if any, and as you have found them to be, produce a new and

for patentability in combination patents.<sup>157</sup> The CAFC based its decision on "predecessor courts," citing earlier Circuit Court of Patent Appeals (CCPA) and circuit courts of appeals decisions.<sup>158</sup> Thus, it appears that the CAFC believed it was not constrained within the bounds of Supreme Court precedent regarding combination patents.

In *Interconnect Planning Corp. v. Feil*,<sup>159</sup> the CAFC unequivocally addressed the patentability of inventions comprised of combinations of prior art. Refining the "suggestion test,"<sup>160</sup> the court made it clear that secondary considerations must be evaluated in determining the obviousness of combination patents.<sup>161</sup>

Under the suggestion test, an invention consisting of a combination of prior art is obvious only if it is shown that the prior art suggested making the new combination.<sup>162</sup> On the one hand, if the prior art suggested a new invention, the developer of the prior art undoubtedly would have filed for a patent. The resulting effect is that prior art rarely suggests a "new" combination because an inventor would most likely have patented any "new" combination. Therefore, through its suggestion test,

---

unexpected result. That is, you must determine whether the elements making up plaintiff's claimed invention combine so as to perform in some way or manner, a new and unexpected function in combination than they perform separately. The reason for this is that a patented invention which unites only old elements without producing either a new and unexpected result merely withdraws from the public's use that which was known before.

*Id.*

157. *Id.* at 1360-61.

158. *Id.*

159. 774 F.2d 1132 (Fed. Cir. 1985).

160. See, e.g., *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577 (Fed. Cir. 1984) ("Obviousness cannot be established by combining the teachings of prior art to produce the claimed invention absent some . . . suggestion supporting the combination." (emphasis added) (citations omitted)); *Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1462 (Fed. Cir. 1984) (holding that patent which relied on "combination of features used in separate devices" is not necessarily obvious because solution in patent at issue was not suggested by prior devices, "alone or together").

161. The district court granted summary judgment against the plaintiff, *Interconnect Planning*, stating that its patent for a multi-station telephone switching system was invalid due to obviousness under § 103. *Interconnect Planning*, 774 F.2d at 1134. The CAFC reversed and remanded to the district court for further proceedings. *Id.* at 1144. Even though it analyzed secondary considerations in the findings below, the district court ignored them, having already found the patent obvious. *Id.* In response, the CAFC remanded the case and admonished the district court to ensure that evidence of secondary considerations "be considered and afforded appropriate weight." *Id.*

162. The CAFC vacated the summary judgment, reasoning that the district court could only find obviousness if "something in the prior art as a whole . . . suggest[ed] the desirability, and thus the obviousness, of making the combination." *Id.* at 1143 (quoting *Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1462 (Fed. Cir. 1984)).

the CAFC effectively ensured it would rarely find patents for new combinations of prior art obvious.<sup>163</sup>

Thus, in sharp contrast to the Supreme Court's stringent standards for determining the patentability of combination patents, the CAFC developed a comparatively lenient obviousness standard for combination patents.<sup>164</sup> By breaking down the Supreme Court's artificial barriers denoting different classes of patents, the CAFC may evaluate obviousness for all patents using a single standard—the *Graham* standard.<sup>165</sup> Although convenient, and arguably accurate, the CAFC improperly created new law in the face of prior Supreme Court rulings.<sup>166</sup>

### B. The CAFC and *Graham's* Secondary Considerations

In *Graham v. John Deere Co.*<sup>167</sup> the Supreme Court established a three-part test for courts to use to determine obviousness.<sup>168</sup> The Court also stated that secondary considerations "may have relevancy"<sup>169</sup> in determining obviousness. The CAFC, however, applies this test in such a way that the secondary considerations have subsumed the three-part test.

#### 1. The CAFC increased the weight of secondary considerations

The CAFC rewrote the Supreme Court's *Graham* standard for obviousness by greatly increasing the value of the secondary considerations in its analysis to the point that mere secondary considerations under *Graham* have become the primary decision-making factors in a court's obviousness analysis. The CAFC began transforming *Graham's* secondary considerations into primary factors to consider in determining obviousness in *W.L. Gore & Associates v. Garlock, Inc.*<sup>170</sup> The district court stated that "no amount of commercial success can save [the pat-

---

163. Rochelle C. Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 16, 26-28 (1989) (arguing that pro-patent CAFC's suggestion test is very lenient test for combination patents).

164. Compare *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60-62 (1969) (holding that test for obviousness regarding combination patents is showing of synergistic effects) with *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540 (Fed. Cir. 1983) ("A requirement of 'synergism' . . . is nowhere to be found in the statute.").

165. See *supra* notes 118-19 and accompanying text.

166. See *supra* notes 145-64 and accompanying text.

167. 383 U.S. 1 (1966).

168. *Id.* at 17.

169. *Id.* at 17-18.

170. 721 F.2d 1540 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Dr. Gore's invention, relating to a new method of treating polytetrafluorethylene, is more commonly known as goretex. The district court held Dr. Gore's patent invalid owing to obviousness under § 103. *Id.* at 1546. The district court found the evidence of obviousness under *Graham's* three-part test so overwhelming that secondary considerations were of no import. *Id.* at 1555. The

ent].’<sup>171</sup> The CAFC found this was an error and reversed the district court’s holding of obviousness based on the secondary considerations of *Graham*.<sup>172</sup> The CAFC cited such factors as the invention’s satisfaction of long-felt needs and commercial success.<sup>173</sup> The CAFC heightened the importance of *Graham*’s secondary considerations, stating that secondary considerations “may be the most pertinent, probative, and revealing evidence available to aid in reaching a conclusion on the obvious/nonobvious issue.”<sup>174</sup> The elevation of secondary considerations into factors of primary importance was a dramatic thrust for the CAFC, considering the court was less than one year old.<sup>175</sup>

The CAFC continued its systematic crusade to increase the weight of secondary considerations in evaluating obviousness with its holding in *Simmons Fastener Corp. v. Illinois Tool Works*.<sup>176</sup> The district court stated “it is . . . established that ‘secondary considerations will not support a claim of invention if the subject-matter of the patent does not pass the section 103 test of non-obviousness.’”<sup>177</sup> The CAFC agreed that the invention was obvious according to *Graham*’s three-part test.<sup>178</sup> However, finding extremely strong evidence of commercial success, the CAFC reversed the district court’s holding of obviousness.<sup>179</sup>

The holding in *Alco Standard Corp. v. TVA*<sup>180</sup> demonstrates that district courts, after having been consistently overturned by the CAFC for applying the Supreme Court’s *Graham* standard for obviousness, finally decided to apply the CAFC’s view of obviousness.<sup>181</sup> In upholding

---

CAFC held that the district court was in error, declaring the patent valid, even though the district court had followed the Supreme Court’s *Graham* test. *Id.* at 1555, 1559.

171. *Id.* at 1555.

172. *Id.*

173. *Id.*

174. *Id.*

175. The CAFC was formed in 1982 and *W.L. Gore* was decided in 1983.

176. 739 F.2d 1573 (Fed. Cir. 1984), *cert. denied*, 471 U.S. 1065 (1985). The district court held that the patent for a screw fastener for use in the manufacture of refrigerators was invalid due to obviousness under § 103. *Id.* at 1574. The district court had considered evidence of secondary considerations but, following the Supreme Court’s interpretation of *Graham*, stated that a finding of obviousness under the three-part test cannot be overturned by secondary considerations. *Id.* The CAFC disagreed with this interpretation of *Graham* and reversed. *Id.* at 1574-78.

177. *Id.* at 1574.

178. *Id.* at 1575-76.

179. *Id.* at 1576.

180. 808 F.2d 1490 (Fed. Cir. 1986), *cert. dismissed*, 483 U.S. 1052 (1987). The district court found that the plaintiff’s patent for a method and apparatus for inspecting turbine rotors was not obvious and therefore valid. *Id.* at 1493.

181. Disregarding the Supreme Court’s position, the district court followed what it must have reasoned was the correct standard by performing a detailed secondary considerations



the decision of the district court, the CAFC stated that the strong evidence of secondary considerations was sufficient to outweigh the determination that the patent was obvious in light of the prior art.<sup>182</sup>

Arguably, Congress was not satisfied with the Supreme Court's interpretation of § 103 in *Graham*, so it created the CAFC to ensure "pro-patent" judicial rulings. The CAFC, as if to comply with congressional orders, has elevated the importance of secondary considerations under *Graham* to the point that secondary considerations are sufficient to rebut prima facie decisions of obviousness based on the prior art analysis. Consequently, the CAFC has validated a number of patents that would have been invalid under the Supreme Court's interpretation of *Graham*.<sup>183</sup> The CAFC seems prepared to validate any patent on the issue of obviousness at the expense of overturning Supreme Court precedent.<sup>184</sup>

## 2. The CAFC has expanded the range of secondary considerations

The CAFC expanded the types of secondary considerations relevant to the question of obviousness while increasing the weight given to secondary considerations. The forms of secondary considerations the CAFC recognizes include: (1) the commercial success of the invention;<sup>185</sup> (2)

---

analysis, which was enthusiastically described in great detail in the CAFC's affirmation. *Id.* at 1500-01.

182. *Id.* at 1501. The CAFC stated: "This is one of those cases where evidence of secondary considerations 'may . . . establish that an invention appearing to have been obvious in light of the prior art was not.'" *Id.* (quoting *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538 (Fed. Cir. 1983)).

183. See *Alco Standard*, 808 F.2d 1490; *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132 (Fed. Cir. 1985); *Simmons Fastener*, 739 F.2d 1573; *W.L. Gore*, 721 F.2d 1540; *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983).

In each of the above cases except *Alco Standard*, the district court followed the Supreme Court's *Graham* analysis, which included analyzing evidence of secondary considerations when merited. See *Interconnect Planning*, 774 F.2d at 1136-38; *Simmons Fastener*, 739 F.2d at 1574; *W.L. Gore*, 721 F.2d at 1550; *Stratoflex*, 713 F.2d at 1535.

In each case except *Alco Standard*, the CAFC criticized the district court for performing an incomplete analysis and granting insufficient weight to evidence of secondary considerations. See *Interconnect Planning*, 774 F.2d at 1144; *Simmons Fastener*, 739 F.2d at 1574-75; *W.L. Gore*, 721 F.2d at 1550; *Stratoflex*, 713 F.2d at 1538-39. The CAFC, in attempting to modify district court behavior through positive and negative reinforcement in *Alco Standard*, enthusiastically embraced the district court's detailed analysis of secondary considerations in agreeing that the patent was not obvious and therefore valid. 808 F.2d at 1497-1501.

184. See *supra* note 183.

185. See, e.g., *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1573 (Fed. Cir.) (reversing district court's holding that invention of plastic cable ties was obvious on basis of secondary considerations and stating that commercial success was evidenced by annual sales of \$50 million), *cert. denied*, 481 U.S. 1052 (1987).

the long-felt need for the invention;<sup>186</sup> (3) the failure of others to make the invention;<sup>187</sup> (4) disbelief of experts in the industry regarding the ability of the invention to perform as claimed;<sup>188</sup> (5) copying of the invention by competitors;<sup>189</sup> (6) successful licensing of the invention to competitors;<sup>190</sup> and (7) synergism, usually expressed by the CAFC as unexpected results from combined prior art.<sup>191</sup>

The CAFC has dramatically increased the role of secondary considerations in the obviousness analysis.<sup>192</sup> The breadth of the secondary considerations analyzed seems to expand with each of the CAFC's decisions.<sup>193</sup> These secondary considerations, used repeatedly by the CAFC

---

186. See, e.g., *W.L. Gore*, 721 F.2d at 1545 (reversing district court's finding of obviousness based upon factors that included evidence of long-felt need for waterproof/breathable fabric).

187. See, e.g., *Jones v. Hardy*, 727 F.2d 1524, 1531-32 (Fed. Cir. 1984). In *Jones*, the district court found that patents covering the method and molds for casting concrete were invalid based on obviousness under § 103. *Id.* at 1531. The CAFC reversed, stating that the district court erred by failing to consider all relevant evidence, such as that which demonstrated the new method met a critical need for an economical means of casting concrete that others in the industry had been unable to provide. *Id.* at 1531-32.

188. See, e.g., *Burlington Indus. v. Quigg*, 822 F.2d 1581, 1583 (Fed. Cir. 1987) (affirming district court's finding that method of reducing cotton dust in textile factories was nonobvious because experts had strongly doubted that inventor's humidifier actually could reduce cotton dust levels, calling it "completely unexpected breakthrough").

189. See, e.g., *Dow Chem. Co. v. American Cyanamid Co.*, 816 F.2d 617, 622-23 (Fed. Cir.), cert. denied, 484 U.S. 849 (1987). In *Dow Chemical*, the CAFC affirmed the district court's finding that a method of converting acrylonitrile to acrylamide was nonobvious. *Id.* at 622-23. One of the indicia of obviousness noted by the court was that American Cyanamid, having tried and failed to develop the claimed method to produce the chemical compound in a more efficient manner, elected to copy the method. *Id.* at 622. Therefore, the court concluded, the method could not have been obvious or American Cyanamid would have been able to re-create the method itself. *Id.*

190. See, e.g., *In re Sernaker*, 702 F.2d 989 (Fed. Cir. 1983). In *Sernaker*, the Patent & Trademark Office (PTO) rejected a patent application for a method of manufacturing embroidered emblems on the grounds that the invention was obvious under § 103. *Id.* at 990. The CAFC reversed the finding of obviousness. *Id.* The CAFC decided this case during its infancy, when it was still determining how much weight it should grant *Graham's* secondary considerations in an obviousness analysis. The CAFC stated that "'secondary considerations' . . . might be of possible utility in an obviousness determination." *Id.* at 996. The CAFC determined that the PTO had erred in not considering evidence that the inventor had licensed the invention to several competitors in the industry. *Id.*

191. See, e.g., *Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1461 (Fed. Cir. 1984) (declaring evidence of unexpected results may be strong support for conclusion that invention was not obvious). The district court found that a patent for hydraulic scrap shears was invalid owing to obviousness under § 103. *Id.* at 1457. The CAFC reversed, stating that the district court should have looked beyond evidence of commercial success in determining obviousness. *Id.* at 1461. The court stated that although there was no requirement to consider unexpected results under § 103, the CAFC had established that such evidence may be considered. *Id.*

192. See discussion *supra* part IV.A.

193. See discussion *supra* part IV.B.

to uphold the validity of a patent on the basis that the invention was nonobvious, have eased the overall standard of patentability under § 103 and serve to increase the likelihood that a patent will be found valid.

### C. *The CAFC as a De Novo Reviewer of Obviousness*

In *Graham* the Supreme Court confirmed that the "ultimate question of patent validity is one of law."<sup>194</sup> Under *Graham's* interpretation of § 103, however, the district courts must perform several basic factual inquiries in order to determine obviousness.<sup>195</sup> Because a reviewing court must make a detailed factual inquiry under *Graham's* three-part test to determine obviousness on appeal, the issue arises as to how many of the facts found by the district court are reviewable by the appellate court.

Under Rule 52(a) of the Federal Rules of Civil Procedure, the trial court is responsible for findings of fact.<sup>196</sup> This is due to the "public interest in the stability and judicial economy" that is achieved by "recognizing that the trial court, not the appellate tribunal, should be the finder of facts."<sup>197</sup> Likewise, our society depends on appellate courts to review findings of law and rectify misinterpretations of law by trial courts. A trial court's findings of fact may not be set aside by an appellate court unless the findings are clearly erroneous.<sup>198</sup>

Consistent with the Federal Rules of Civil Procedure, the CAFC was expected to review only those facts found to lie within the clearly erroneous standard.<sup>199</sup> Expanding beyond its given role, the CAFC has, in some cases, virtually retried the case at the appellate level, disregarding the trial court's findings of fact.<sup>200</sup> The CAFC reasoned that because obviousness is a question of law, it may review any of the factual inquiries

---

194. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

195. *Id.*

196. FED. R. CIV. P. 52(a).

197. See FED. R. CIV. P. 52(a) advisory committee's note accompanying 1985 amendment.

198. FED. R. CIV. P. 52(a).

199. Herbert H. Goodman, *The Effect of Section 103 of the Patent Act of 1952 Upon the Patent Laws*, 35 J. PAT. OFF. SOC'Y 233, 236 (1953). The codification of obviousness under § 103 was expected to have a stabilizing effect on patent law. The determination of obviousness would depend on the facts of each case. The findings of fact, unless clearly erroneous, would be upheld by appellate courts. Therefore, "the effect of the new law should be that, when a question of patentability has been passed on by a trial judge who has applied [§ 103], an Appellate Court should affirm the trial court unless the trial court's finding of fact was clearly erroneous." *Id.*

200. See, e.g., *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1569 (Fed. Cir.) (agreeing that Rule 52(a) applied and finding that § 103 determination of obviousness must be made in light of all probative evidence, thus opening door to review all lower court findings of fact), *cert. denied*, 481 U.S. 1052 (1987).

ies associated with the issue of obviousness.<sup>201</sup> Hence, the CAFC is not limited to reviewing only clearly erroneous findings of fact, as would be expected under Rule 52(a) of the Federal Rules of Civil Procedure.<sup>202</sup> Therefore, the CAFC has not only changed the Supreme Court's standard of obviousness, but has made itself a *de novo* reviewer of obviousness by giving itself the authority to review all facts related to the issue of obviousness in a case.

In sum, the CAFC no longer uses the clearly erroneous standard, but instead appears to review the facts regarding obviousness whenever it disagrees with the trial court. The CAFC often rolls up its sleeves and reexamines all the facts of a case related to obviousness.<sup>203</sup> The CAFC will affirm the district court's judgment if it agrees with its conclusions,<sup>204</sup> reverse if it does not,<sup>205</sup> and vacate and remand for new findings if it determines the record lacks facts that are essential to an outcome it prefers.<sup>206</sup>

#### D. *The Impact of the Liberalization of Summary Judgment*

A subtle factor that has given the CAFC greater authority over patent law is the Supreme Court's liberalization of the standard for granting summary judgment.<sup>207</sup> Historically, courts have been unwilling to employ summary judgment to terminate cases.<sup>208</sup> Appellate courts have discouraged trial courts from granting pre-trial summary judgment by

---

201. *Id.* at 1568-69.

202. *Id.* at 1569.

203. *See, e.g., Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044 (Fed. Cir.) (reversing district court's holding of obviousness), *cert. denied*, 488 U.S. 825 (1988). The district court held that the defendant's patent for an air-deflecting device for reducing wind resistance encountered by tractor-trailer trucks was invalid owing to obviousness under § 103. *Id.* at 1048. The CAFC reversed, stating that the district court failed to give proper weight to the secondary considerations of long-felt need and failure of other attempts to fill this need. *Id.* at 1054.

204. *See, e.g., Alco Standard Corp. v. TVA*, 808 F.2d 1490, 1500-01 (Fed. Cir. 1986) (enthusiastically embracing district court's analysis of secondary considerations and finding that invention was not obvious), *cert. dismissed*, 483 U.S. 1052 (1987).

205. *See, e.g., Uniroyal*, 837 F.2d at 1054.

206. *See, e.g., Gardner v. TEC Sys., Inc.*, 725 F.2d 1338 (Fed. Cir.), *cert. denied*, 469 U.S. 830 (1984). The district court held that plaintiff's patent for a device used in drying the ink used on high-gloss papers found in magazines was invalid due to obviousness under § 103. *Id.* at 1344. The CAFC vacated the district court's holding of obviousness because it felt that the trial court did not properly evaluate the patent's claims. *Id.* at 1339 n.1.

207. *See* FED. R. CIV. P. 56(a) ("A party seeking to recover . . . may, at any time after the expiration of 20 days from the commencement of the action . . . move with or without supporting affidavits for a summary judgment . . .").

208. *See, e.g., Doehler Metal Furniture Co. v. United States*, 149 F.2d 130, 135 (2d Cir. 1945) (stating that summary judgment, although valuable time-saving device, may actually result in waste of time in cases in which summary judgment was improperly entered).

requiring trial judges to deny the motion if they have even "the slightest doubt" whether summary judgment is appropriate.<sup>209</sup> However, the increase in the backlog on civil trial calendars in the United States over the past few decades has prompted the Supreme Court to actively support methods used to terminate cases before trial.<sup>210</sup>

The Supreme Court revitalized summary judgment procedure in 1986 with three decisions that liberalized the test for granting summary judgment: *Anderson v. Liberty Lobby, Inc.*,<sup>211</sup> *Celotex Corp. v. Catrett*,<sup>212</sup> and *Matsushita Electric Industrial Co. v. Zenith Radio Corp.*<sup>213</sup> In these cases the Supreme Court evinced a more favorable attitude toward discharging cases on summary judgment.<sup>214</sup> Since these Supreme Court decisions there has been an increase in the percentage of cases in which summary judgment motions were filed.<sup>215</sup> The percentage of cases in which the motions were granted is also on the rise.<sup>216</sup> Consistent with these results, at least one prominent commentator has declared that summary judgment will be easier to obtain in the future.<sup>217</sup> Thus, the Supreme Court, in *Anderson*, *Celotex* and *Matsushita*, directed that courts may legitimately rely on summary judgment to decide cases.<sup>218</sup>

The liberalized standard for summary judgment may be viewed by district courts as an excellent opportunity to shift patent cases to the "experts" on the CAFC.<sup>219</sup> In several cases district courts have dis-

---

209. *Id.* In *Doehler* the Second Circuit suggested that "trial judges should exercise great care in granting motions for summary judgment." *Id.*

210. See *infra* notes 211-20 and accompanying text.

211. 477 U.S. 242 (1986).

212. 477 U.S. 317 (1986).

213. 475 U.S. 574 (1986).

214. See Jack H. Friedenthal, *Cases on Summary Judgment: Has There Been a Material Change in Standards*, 63 NOTRE DAME L. REV. 770, 771 (1981) (stating these decisions "appear to signal somewhat of a turn toward greater approval of summary dispositions").

215. Joe E. Cecil, *Trends in Summary Judgment Practice: A Summary of Findings*, FJC, Apr. 1991, at 11, 12-16.

216. See John E. Kennedy, *Federal Summary Judgment: Reconciling Celotex v. Catrett and Adickes v. Kress and the Evidentiary Problems Under Rule 56*, 6 REV. LITIG. 227, 254 (1987) (stating that "[o]n an overall rounded average of existing studies, one could make a general estimate that the motion is made in five percent of cases; that over 50% are granted; and of those appealed, that over 50% are affirmed").

217. See Steven A. Childress, *A New Era for Summary Judgments: Recent Shifts at the Supreme Court*, 6 REV. LITIG. 263, 283 (1987). In addition, the post-1986 decisions indicate "many lower courts are getting the message" that the Supreme Court favors the expanded use of summary judgment. *Id.* at 281.

218. See *Deepwater Invs. Ltd. v. Jackson Hole Ski Corp.*, 938 F.2d 1105, 1113 (10th Cir. 1991) (stating that any uncertainty in interpretation or use of summary judgment prior to 1986 was resolved by Supreme Court in "now-famous trilogy" of decisions).

219. The CAFC has reviewed 42 summary judgment decisions between 1982 and 1988. Ronald B. Coolley, *What the Federal Circuit Has Done and How Often: Statistical Study of the*

pensed with patent cases on their facts by granting summary judgment on the issue of obviousness.<sup>220</sup>

Although the *Graham* analysis is a legal analysis, it is also factually rich. A district court may state that there are no issues of fact and grant summary judgment on the legal issue of obviousness.<sup>221</sup> Under the CAFC's view of appeals, however, the CAFC is permitted to revisit all the facts regarding obviousness in order to ensure they were applied correctly by the district court.<sup>222</sup> By granting summary judgment on the issue of obviousness, the district court may clear its docket and deliver both the legal issues and the findings of fact to the CAFC for review on appeal.

District courts, encouraged by the preceding Supreme Court decisions, have been more amenable to granting summary judgment. Meanwhile, the CAFC justified expanding its authority to review trial court findings of fact by asserting that *Graham*'s three-part test mandated a review of all facts relating to obviousness.<sup>223</sup> This encouraged district courts to grant summary judgment in patent litigation in order to remove cumbersome patent litigation from their dockets, safe in the knowledge that the CAFC could always revisit the facts on appeal. Accordingly, when reviewing a summary judgment based on obviousness, the CAFC may essentially reexamine the district court's findings of fact and function as a trial court. In those cases the CAFC acts as both a trier of fact and as an appellate review panel.

## V. THE CAFC HAS FUNDAMENTALLY CHANGED PATENT LAW WITHOUT AUTHORITY

The CAFC was created by Congress to help an overburdened Supreme Court provide uniform interpretation of patent law among the

---

*CAFC Patent Decisions—1982 to 1988*, 71 J. PAT. & TRADEMARK OFF. SOC'Y 385, 397 (1989). The author states that "summary judgments are becoming more common in patent litigation." *Id.*; see *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1987). Typifying the extent to which district courts prefer to rely on the CAFC, Judge John F. Grady, writing for the district court, stated: "It gives me great comfort to know that I am just the first stop [in this litigation]. Everything I have said here can be analyzed just as well by the Court of Appeals for the Federal Circuit." *Id.* at 1579.

220. See, e.g., *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132 (Fed. Cir. 1985) (reviewing district court grant of summary judgment); *Chore-Time Equip., Inc. v. Cumberland Corp.*, 713 F.2d 774 (Fed. Cir. 1983) (same).

221. See, e.g., *Interconnect Planning*, 774 F.2d 1132; *supra* note 161.

222. See, e.g., *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983); *supra* note 153.

223. See, e.g., *Stratoflex*, 713 F.2d 1530; *supra* note 153.

various circuit courts.<sup>224</sup> Congress did not give the CAFC the authority to overrule the Supreme Court. However, in the face of the CAFC's significant modifications to patent law, neither Congress nor the Supreme Court has acted to validate the CAFC's decisions.<sup>225</sup> District courts, tired of the CAFC overturning their decisions, have learned to follow the law as interpreted by the CAFC rather than follow prior Supreme Court decisions. Consequently, instead of simply assisting the Supreme Court in unifying patent law, the CAFC has become the primary source for patent law in the United States. The CAFC, however, lacks the Supreme Court's constitutional authority and concomitant stability to serve as the primary source for patent law.

*A. There Is No Foundation for the CAFC's Rulings*

Arguably, there is no reason for concern. The CAFC's rulings have been neither validated nor invalidated by the Supreme Court or Congress. Nonetheless, the law created by the CAFC has become increasingly persuasive to lower courts. This influence stands to increase if nothing is done to reverse the implicit authority granted the CAFC by a disinterested Congress and Supreme Court.

The primary problem with maintaining the status quo is that the CAFC's decisions do not have the force of law of the Supreme Court.<sup>226</sup> By any legal measure, the CAFC is an intermediate court of appeals that must adhere to the rulings of the Supreme Court.<sup>227</sup> There is no indication that either Congress or the Constitution gave the CAFC the power to interpret patent law in the wake of the Supreme Court's silence. The Supreme Court, as shown by its inaction in the development of patent law since the creation of the CAFC, has recused itself from the development of patent law.<sup>228</sup>

While the CAFC has unified the interpretation of patent law and has eliminated forum shopping,<sup>229</sup> it is unclear why, without Supreme Court or congressional validation, the CAFC's new interpretation of patent law carries the same weight, or perhaps more weight, than contradictory Supreme Court decisions. The foundation for CAFC decisions is

---

224. See *supra* note 68 and accompanying text.

225. See *supra* note 73 and accompanying text.

226. See U.S. CONST. art. III, § 1.

227. *Id.*

228. See *supra* note 73 and accompanying text.

229. See generally HARMON, *supra* note 86, at 73-80 (presenting obviousness from CAFC's perspective, apparently recognizing practitioners' need to rely on CAFC decisions to win patent law cases).

weak or even nonexistent, absent the backing of the Supreme Court or codification by Congress.

*B. The CAFC Is Susceptible to the Risks Inherent in a Specialized Court*

As discussed above, opponents of the CAFC argued against formation of the CAFC because it would be susceptible to the risks inherent in specialized courts.<sup>230</sup> The first argument cautioned that the quality of decision making could suffer if specialized judges viewed cases from a narrow perspective.<sup>231</sup> The quality of decision making in patent law *has* suffered as evidenced by the myriad changes the CAFC has wrought in patent law in the interpretation of obviousness, let alone in other areas.<sup>232</sup> Moreover, decision making has suffered in that the CAFC has ignored Supreme Court precedent and has continually overturned district court decisions that were consistent with Supreme Court rulings regarding obviousness.

The second argument against specialized courts focused on the concern that judges of specialized courts might impose their own views of policy, even in the face of higher court precedent to the contrary.<sup>233</sup> CAFC judges have imposed their own policies with respect to obviousness by increasing the importance of secondary considerations in the *Graham* analysis.<sup>234</sup> The CAFC also made a significant policy change when it decided it had the authority, under *Graham*, to reexamine the underlying facts of a case on appeal with respect to obviousness.<sup>235</sup> These examples show that the CAFC is imposing its own policies, even within areas normally governed by the Supreme Court and the Federal Rules of Civil Procedure.

The problems associated with the four remaining risks inherent in a specialized court,<sup>236</sup> although not yet apparent, loom on the horizon. The quality of the appointments to the CAFC is at risk. When the CAFC was formed, it inherited a team of bright, well-trained and techni-

---

230. See *supra* note 36 and accompanying text for the Hruska Commission's six disadvantages of specialized courts.

231. See HRUSKA COMMISSION REPORT, *supra* note 30, at 28-30, reprinted in 67 F.R.D. at 234-36.

232. See *supra* part IV.

233. See HRUSKA COMMISSION REPORT, *supra* note 30, at 28-30, reprinted in 67 F.R.D. at 234-36.

234. See *supra* notes 170-82 and accompanying text.

235. See *supra* part IV.C.

236. See HRUSKA COMMISSION REPORT, *supra* note 30, at 28-30, reprinted in 67 F.R.D. at 234-36.



cally-oriented judges from the U.S. Court of Claims and the U.S. Court of Customs and Patent Appeals (CCPA).<sup>237</sup> As a result, the CAFC began with the best possible collection of judges available in the country. But now virtually all these judges have retired and there is no longer a "training ground," in the form of the CCPA, from which to promote seasoned judges to the CAFC. Simultaneously, there is no source of district court judges who have been trained in patent law. As a result, the United States no longer has the same pool of highly capable, technically qualified judges to promote to the CAFC as occurred when the CAFC was first formed.<sup>238</sup>

*C. The CAFC Has the Same Weaknesses as the  
Abolished Commerce Court*

The CAFC has some of the same weaknesses that led to the failure of the Commerce Court.<sup>239</sup> The Commerce Court's demise in 1913 was attributed to a lack of support from the parties subject to its review and the public's lack of respect for it as a federal court.<sup>240</sup> The CAFC, unlike the Commerce Court, does not have a few exclusive interests to which it must respond. In fact, the opposite is true. The competing branches of government, as well as large corporations, monitor the manner and policies employed by the CAFC as it makes decisions that go to the heart of

---

237. *House Hearings on H.R. 2405*, *supra* note 44, at 1.

238. The original quality of the appointments to the CAFC must suffer as current CAFC judges retire. Future judges are not likely to have the same vision and focus provided by the original CAFC. This may result in a return to confusion in the interpretation of patent law as the unified message of the CAFC is broken by dissent and discord. Therefore, lacking a competent source of judges experienced in patent law from which to draw, the CAFC may someday be populated with judges who lack the experience of their highly-skilled predecessors.

Exemplifying the risk associated with a CAFC populated with inexperienced judges, in the summer of 1992 two separate three-judge panels of the CAFC issued contradictory opinions regarding product-by-process claims, a type of patent used extensively in the biotechnology fields. *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565 (Fed. Cir. 1991); *Atlantic Thermoplastics Co. v. Faytex Corp.*, 23 U.S.P.Q.2d (BNA) 1801 (Fed. Cir. 1992). Donald Dunner, a prominent Washington, D.C., patent lawyer, stated that the CAFC had "always been committed to providing uniformity" but that these two conflicting decisions do not "foster that goal." Susan Kostal, *Schism Is Threatening Patent Court's Reliability*, S.F. DAILY J., Sept. 11, 1992, at 7. Another expert in patent law, Donald Chisum, stated that "the real issue is what to do with a court who says one year the rule is black and the next year the rule is white" because conflicting decisions from the same court "threaten the stability of [patent] law." *Id.* The strong differences in opinion between the two three-judge panels were attributed to a CAFC undergoing a difficult change due to the lack of experience of its newer judges. *Id.* Louis J. Knobbe, a name partner at a patent law firm, argued that this problem was the result of the continued change in the level of experience on the CAFC, specifically, "as the number of [judges experienced in patent law] decreases" on the CAFC. *Id.*

239. See *supra* notes 54-67 and accompanying text.

240. See *Dix, supra* note 54, at 239; *supra* part II.C.

U.S. manufacturing and technology interests.<sup>241</sup> Currently, most parties appear satisfied with the CAFC because the CAFC has successfully clarified and stabilized the interpretation of patent law.<sup>242</sup>

The CAFC, like the Commerce Court, however, is a court of narrow subject matter jurisdiction and has expanded its scope of review beyond typically appellate issues, such as findings of fact. As a result, the CAFC has some of the structural weaknesses of the late Commerce Court.

The failure of the Commerce Court suggests that a federal court requires three characteristics in order to maintain its institutional strength and inherent judicial immunity: (1) The behavior and technique of the judges must reflect an impression of impartiality and indifference to political influence; (2) the court must demonstrate its independence from the executive and legislative branches by applying established law; and (3) the court should appear integrated into a homogeneous federal court system.<sup>243</sup>

The CAFC fails the last two of the above lessons taught by the failure of the Commerce Court. First, the CAFC has not been applying established law.<sup>244</sup> Second, as a court with narrow subject matter jurisdiction, the CAFC is not integrated into the federal court system. This lack of integration is further exhibited by the CAFC's willful rejection of existing Supreme Court precedent.<sup>245</sup> Lacking the foundation of a proper federal court, in a time of patent law crisis, the CAFC could be phased out as quickly as it was created.

The CAFC's weaknesses may culminate in its eventual demise. Decisions limiting patentability, made by future, less experienced judges could cause Congress and business interests to question the utility of the CAFC. As the CAFC comes under fire, its lack of integration into the federal court system will make it particularly vulnerable. The CAFC's weakness is compounded by its failure to observe previous Supreme Court precedent.<sup>246</sup> As a result, opponents may proclaim that the CAFC is a rogue court which must be eliminated to stop the foundationless creation of patent law in order to protect one of the key underpinnings of U.S. commerce.

---

241. See 1 PATENT PREPARATION & PROSECUTION PRACTICE, *supra* note 41, at 1-2 (stating "[a]n effective patent system, by ensuring orderly protection of technological innovation, offers incentive for creative individuals to expend their time, energy and money in the process of inventing and, therefore, is a vital part of modern industrialized life").

242. HARMON, *supra* note 86, at 299.

243. See Dix, *supra* note 54, at 260.

244. See *supra* part IV.A-B.

245. See *supra* part IV.A-B.

246. See *supra* part IV.A-B.

### D. Two Possible Solutions

There are two possible solutions to the problems resulting from the lack of validation of CAFC decisions by either the Supreme Court or Congress. First, Congress can remove the CAFC's jurisdiction. Unfortunately this solution leaves the underlying patent law in the same condition as before the creation of the CAFC. Patent practitioners would return to forum shopping, litigation costs would increase, and uncertainty concerning patentability among inventors and manufacturers would climb. Abolishing the CAFC would undesirably send patent law into another period of uncertainty and disarray.

Instead of abolishing the CAFC, Congress could modify the CAFC's jurisdiction to ensure that the Supreme Court affirms or rejects each CAFC decision. Under this modified grant of jurisdiction, the Supreme Court would take positive control of the CAFC. This approach would allow the CAFC to continue its role as the primary source of U.S. patent law, which is necessary because the CAFC has created an extensive body of law that has greatly increased the stability of patent law.<sup>247</sup> At the same time, the modified jurisdiction would force the Supreme Court to provide an express ruling either affirming or rejecting the CAFC's departures from Supreme Court precedent. Consequently, modifying the CAFC's jurisdiction would eliminate the implied authority of the CAFC and replace it with express Supreme Court authority. Therefore, the proper solution is to modify the CAFC's jurisdiction to ensure that the Supreme Court reasserts its authority in patent law by forcing it to affirm or reject the CAFC's decisions.

## VI. THE SUPREME COURT MUST REASSERT ITS AUTHORITY IN PATENT LAW

One of the primary reasons Congress created the CAFC was to provide a national, appellate forum that would resolve patent disputes in a uniform manner.<sup>248</sup> Congress did not intend to create a "second" Supreme Court for patent law issues.<sup>249</sup> However, the Supreme Court has allowed the CAFC to act as the primary source of patent law by remaining relatively silent in patent law cases.<sup>250</sup> The Supreme Court's silence has allowed the CAFC to make increasingly radical departures

---

247. See 1 PATENT PREPARATION & PROSECUTION PRACTICE, *supra* note 41, at 5-19 ("[T]he CAFC made a full 80% of all patent issues reasonably predictable and ascertainable.").

248. See *supra* notes 23-36 and accompanying text.

249. See U.S. CONST. art. III, § 1.

250. See *supra* note 73 and accompanying text.

from earlier Supreme Court precedent in interpreting the standard of obviousness. The CAFC has changed the standard of review for combination patent cases that the Supreme Court established and followed. The CAFC, in reinterpreting the Supreme Court's holding in *Graham v. John Deere Co.*,<sup>251</sup> also rejected the view that *Graham* consists of a three-part test in which secondary considerations "may have relevancy."<sup>252</sup> The Supreme Court's silence has allowed the CAFC to elevate the importance of secondary considerations to a level equal in weight to the three-part *Graham* standard.

Such concerns can be ignored, at least temporarily, because all parties, including the Supreme Court, have remained silent and nonconfrontational, thus implying they are satisfied with the CAFC's performance. However, if and when the Supreme Court decides to "correct" years of CAFC interpretations of patent law, either to correct a misguided CAFC or to fill the void left by the abolished CAFC, there will be havoc. The Supreme Court must reassert its authority in patent law cases to either confirm or reject the body of law which the CAFC has created to eliminate the possibility of any extreme "correction" that could eviscerate years of patent law development.

## VII. CONCLUSION

Congress and the Supreme Court have worked in tandem to create a powerful authority in patent law—the CAFC. There is no argument over the results the CAFC has achieved. The CAFC's most important goal was to develop a uniform patent law to guide all the district courts without burdening the Supreme Court.<sup>253</sup> The CAFC has developed patent law at a frenetic pace, unencumbered by the Supreme Court. Unfortunately, as evidenced by its performance in the area of interpreting the standard of obviousness, the CAFC is creating law that contradicts Supreme Court decisions. The situation is critical because district courts now follow the CAFC's decisions. The CAFC does not have the same authority to create supreme law as does the Supreme Court. Therefore, when the Supreme Court remains reticent in the face of contrary CAFC decisions, there is uncertainty as to the true direction of the law. The Supreme Court must affirm or reject the CAFC's departures in patent

---

251. 383 U.S. 1 (1966).

252. *Id.* at 17-18.

253. HARMON, *supra* note 86, at 299.

law made by the CAFC to ensure a solid foundation for U.S. patent law and U.S. commerce.

*Robert Desmond\**

---

\* I dedicate this Comment to my parents Robert and Bea Desmond, my Aunt Helen and my fiancée Marjorie. I would also like to thank Professor John T. McDermott for his insight.